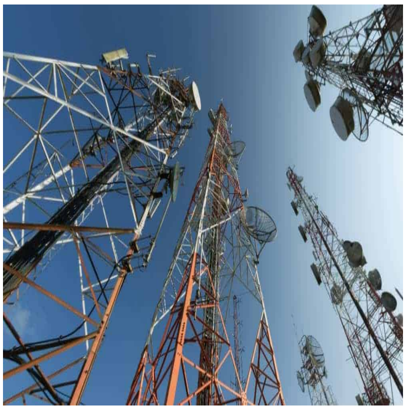

2 Telecom Stocks With Super-High Yields

Description

It’s no secret that stocks have struggled recently, and telecom stocks have been no exception. However, short-term volatility simply creates long-term buying opportunities.

The major Canadian telecom stocks are known for solid and stable growth along with attractive dividends. So, for the long-term investor, that’s a solid mix at the moment.

Now, of course the telecom stocks face challenges ahead. So, it’s vital for investors to pick out those stocks that not only offer a solid yield, but that have the resiliency to sustain it and continue growing.

Today, we’ll look at two such TSX telecom stocks that are paying high yields. For an investor focused on the long run, the total return potential is certainly adequate with these options.

BCE

BCE (TSX:BCE)(NYSE:BCE) is the holding company for Bell MTS and Bell Canada. This telecom giant has numerous branches and segments through which it serves Canadians. With a market cap of $51.02 billion, it’s the largest telecom stock on the TSX.

While mobile phone services are a key piece of the revenue puzzle, BCE also offers TV, internet, media and entertainment services to its customers. Recently, the company expanded its reach in Quebec with the acquisition of various media assets.

As of this writing, BCE is trading at $56.42 and yielding 5.9%. That yield exceeds the five-year average by about 5%. As such, investors can now pick up an outsized yield with this stock.

Of course, with the economy tightening up, BCE has had some challenges. Its year-over-year quarterly revenue growth is coming in at -0.9%, and the dividend-payout ratio is up to 97.27%.

However, there’s good news ahead with the full-fledged release of 5G in Canada just around the corner. This telecom stock will look to continue being an industry leader when it comes to its infrastructure for 5G.

Plus, BCE has long been committed to making its dividend payments to investors. For investors with a long-term outlook, there shouldn't be any red flags surrounding this stock's financials and stability.

Shaw

Shaw Communications (TSX:SJR.B)(NYSE:SJR) is another Canadian telecom stock. While certainly much smaller than BCE, it's been making solid headway recently.

While Shaw has long been focused on providing internet and TV services to Western Canada, its subsidiary Freedom Mobile has shown great growth in the Ontario mobile phone market.

The growth of its wireless segment gives this stock a lot of upside for the future. Plus, at the time of this writing, it's yielding 5.28%.

With lots of room to grow and a more than palatable dividend yield, Shaw is a great dividend-growth stock for long-term investing.

With year-over-year quarterly revenue growth coming in at 3.7%, Shaw confirmed its guidance for this year's cash flow and remains confident the dividend can remain firmly in place.

Telecom stock strategy

Both BCE and Shaw offer investors great total return potential over a long investment horizon. Shaw has shown more encouraging growth recently, but BCE has the edge when it comes to market share at the moment.

Both these telecom stocks offer investors super-high dividend yields exceeding 5%. Considering the relatively defensive nature of telecom stocks, those are solid figures for long-term investors.

If you're looking to add a dividend superstar to your portfolio, be sure to give these two stocks strong considerations.

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1. Dividend Stocks
2. Investing
3. Tech Stocks

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2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:BCE (BCE Inc.)
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